

Message Text

LIMITED OFFICIAL USE

PAGE 01 LISBON 01843 081856Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

LAB-04 SIL-01 OMB-01 L-03 /058 W

-----082030Z 075564 /43

R 081743Z MAR 77

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 0460

INFO AMCONSUL OPORTO

LIMITED OFFICIAL USE LISBON 1843

E.O. 11652: N/A

TAGS: EINV, PO

SUBJ: INVESTOR DISPUTE: LATRIQUE

REF: (A) STATE 49129, (B) LISBON 1399, (C) STATE 16770,

(D) LISBON 1694

1. COMMATT RELAYED INFORMATION REF A TO HARPSOE. HARPSOE ENCOURAGED AT VALE APPARENT WILLINGNESS TO NEGOTIATE BUT STILL STRESSES NEED FOR QUICK PRODUCTION START-UP. HE AGREES THAT DEBT TO BANCO ESPIRITO SANTO MAY BE GREATEST OBSTACLE TO RESOLUTION OF DISPUTE AND WILL MAKE INQUIRIES AT FINANCE MINISTRY.

2. HARPSOE REPORTS HIS PLANS TO GO TO U.S. NOW SHELVED FOR AT LEAST TWO WEEKS, PARTIALLY BECAUSE NEW OBSTRUCTIONIST ATTITUDE OF PORTUGUESE EXPORT PROMOTION FOUNDATION (FFE) PREVENTS ANY TYPE OF DETAILED PROPOSAL TO BE DISCUSSED WITH VALE. FFE IS INVOLVED BECAUSE IT HAS OUTSTANDING UNCOLLECTED DEBT FROM LATRIQUE (U.S.) AND BECAUSE IT PARTICIPATES IN PROMOTION AND FINANCING OF EXPORTS OF CONSET. FFE, ACCORDING TO HARPSOE, CANNOT MAKE ANY DECISIONS NOW BECAUSE IT IS IN THROES OF REORGANIZATION. (COMMENT: FFE HAS BEEN IN THROES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LISBON 01843 081856Z

OF REORGANIZATION FOR AT LEAST ONE YEAR.) HARPSOE REQUESTING APPOINTMENT WITH FFE PRESIDENT AND SEEKING SUPPORT OF SECRETARY OF STATE FOR FOREIGN TRADE CELESTE. ACCORDING HARPSOE, CELESTE STATES HE IS ALMOST POWERLESS TO INFLUENCE EVENTS AT FFE. HARPSOE PROMISED CONTACT EMBASSY AFTER DISCUSSION WITH FFE PRESIDENT AND FINANCE MINISTRY.

3. COMMATT RECEIVED CALL FROM ESPIRITO SANTO BANK (BESCL) PROVIDING FURTHER INFORMATION ABOUT DEBT. BANK REPORTS LATRIQUE OWES IT 13 MILLION ESCUDOS IN UNPAID EXPORT CREDITS AND ABOUT 23 MILLION ESCUDOS FOR BANK GUARANTEES TO GOP CUSTOMS AUTHORITIES. THERE IS ALSO A 1,400,000 OUT-STANDING DEBT FROM 1965 FOR ORIGINAL EQUIPMENT AND START-UP EXPENSES. BANK REPRESENTATIVE STATES THAT BESCL) PREPARING DOCUMENTATION FOR SUIT AGAINST LATRIQUE IN NEW YORK. HE STATES THAT BESCL NOT INTERESTED IN NEGOTIATING WITH VALE, BUT THINKS VALE SHOULD DISCUSS PROBLEM WITH MINISTRY OF FINANCE. BANK REP POINTEDLY CITED TO COMMATT THAT VALE DEBT IS LARGE, LONG-TIME OVERDUE, AND THE WORKERS COMMITTEE IS VERY INTERESTED IN CASE.

4. COMMENT: EMBASSY WILL DISCUSS SITUATION FURTHER WITH BESCL AT HIGHER LEVEL.
CARLUCCI

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTE SETTLEMENT, MEETINGS, BUSINESS FIRMS, DEBT REPAYMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON01843
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770080-0050
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770383/aaaacuxf.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8f34febb-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 49129, 77 LISBON 1399, 77 STATE 16770, 77 LISBON 1694
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3179180
Secure: OPEN
Status: NATIVE
Subject: INVESTOR DISPUTE: LATRIQUE
TAGS: EINV, PO, LATRIQUE, (VALE, PETER)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8f34febb-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009